



蒙牛

CHINA MENGNIU DAIRY COMPANY LIMITED

中國蒙牛乳業有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 02319)

PROFIT WARNING

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is likely to incur a substantial loss for the financial year ending 31 December 2008.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by China Mengniu Dairy Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Based on the unaudited management accounts of the Group for the 11 months ended 30 November 2008 and other relevant information currently available to the Group, the board of directors of the Company (the “**Board**”) preliminarily estimates that the Group is likely to incur a loss in the region of approximately Renminbi 900 million for the financial year ending 31 December 2008. Such possible loss is incurred mainly as a result of and in connection with the “melamine incident” which has adversely affected the performance of the Group including, in particular, a decrease in sales, writing-off of certain inventories and additional costs for the disposal of raw milk and for sales promotional campaigns.

As the Group’s annual figures for the financial year ending 31 December 2008 are yet to be available, the information contained in this announcement represents only a preliminary estimate performed by the Board based on the information available so far and is not based on any figures or information audited or reviewed by the Company’s auditors.

In addition, as part of the Group’s on-going financial management, the Group has been exploring a

number of opportunities so as to strengthen the Group's financial position, including certain preliminary contacts with a number of independent parties. It should be noted that such financial opportunities are still under consideration and no agreement has been reached by the Company and the Board is not in a position to comment on whether any such opportunities may materialize in the near future or at all.

The Board considers that the Group has sufficient financial resources for its current requirements and its present operations remain normal.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board

Niu Gensheng

*Chief Executive Officer and
Executive Director*

Hong Kong, 23 December 2008

As at the date of this announcement, the Board comprises five executive directors namely, Niu Gensheng, Yang Wenjun, Sun Yubin, Yao Tongshan and Bai Ying; two non-executive directors being, Jiao Shuge (alias Jiao Zhen) and Julian Juul Wolhardt and three independent non-executive directors namely, Wang Huaibao, Zhang Julin and Li Jianxin.

**For identification purposes only*